

JAMES E. CANN.

FEBRUARY 14, 1910.—Ordered to be printed.

MR. LINDBERGH, from the Committee on Claims, submitted the following

ADVERSE REPORT.

[To accompany H. R. 3623.]

The Committee on Claims, to whom was referred the bill (H. R. 3623) for the relief of James E. Cann, paymaster in the United States Navy, having considered the same, report thereon with a recommendation that it do not pass.

James E. Cann, a paymaster in the United States Navy, was short in his accounts as an officer of the United States revenue steamer *Franklin*. A court of inquiry in October, 1894, investigated the shortage. It found that there was a shortage in his accounts of \$1,971.11. The majority report held the paymaster responsible, secondarily, for the shortage. The minority report favored a court-martial. The Navy Department adopted the views of the majority and reprimanded the officer and held that he was grossly neglectful of his duties as a paymaster.

The report of the Navy Department of date February 4, 1910, and the report of October 25, 1894, is hereto attached and made a part of this report.

NAVY DEPARTMENT,
Washington, February 4, 1910.

DEAR MR. PRINCE: Referring to the bill (H. R. 3623) for the relief of James E. Cann, paymaster in the United States Navy, forwarded by your reference of the 31st ultimo with request for a statement of facts in the case and an expression of opinion as to the merits of the claim, I have the honor to inclose herewith a copy of the department's letter with its inclosures addressed, under date of January 25, 1900, to Hon. Eugene Hale, chairman of the Senate Committee on Naval Affairs, with reference to a bill (S. 404, 59th Cong., 1st sess.) for the relief of James E. Cann, paymaster in the United States Navy.

Senate bill 404 proposed to relieve Paymaster Cann by reimbursement in the same amount and on the same account as contemplated by House bill 3623, and the department's letter above mentioned expresses its present attitude toward the proposed measure.

Very respectfully,

BEEKMAN WINTHROP,
Acting Secretary.

HON. GEORGE W. PRINCE,
Chairman Committee on Claims, House of Representatives.

NAVY DEPARTMENT,
Washington, October 25, 1894.

SIR: I inclose herewith, for your information, a copy of the findings and opinion of the court of inquiry convened at the navy-yard, Norfolk, Va., by the department's order of the 13th instant, for the purpose of investigating the books and accounts of the pay department of the United States revenue steamer *Franklin* for the period during which you have been in charge of the same.

The proceedings, findings, and opinion of the court and the recommendation of the majority concerning further proceedings in your case have this day been approved.

Your particular attention is called to the following excerpts from the report of the court:

"We find that the shortage was made possible by the failure of Paymaster Cann to personally count the cash in the possession of the pay clerk at any time."

"We find also that a return of the balance of cash on hand was made each week to the Bureau of Supplies and Accounts, which was made up by counting the clerk's receipts as cash and never counting the cash itself.

"As to who is responsible for the shortage. The court is of the opinion that the responsibility for the above irregularities rests primarily with Pay Clerk Sayre, who confessed to having stolen the money, and, secondly, with Paymaster Cann, whose neglect to frequently count this money gave opportunity for the theft."

The department fully concurs in the above views expressed by the court, and considers that in failing to personally verify every week the amount of cash in the hands of your clerk before reporting officially to the Bureau of Supplies and Accounts the balance of cash on hand you were grossly neglectful of your duties as paymaster, and that for such neglect you are deserving of severe condemnation.

In thus accepting the recommendation of the majority of the court that you be reprimanded for your dereliction of duty as above stated, instead of resorting to your trial by general court-martial as recommended in the minority report, the department has been influenced by the statements, concurred in by all the members of the court, to the effect that your performance of duty was in general in accordance with the Navy Regulations; and by the fact, as appears from the record of the court of inquiry, that while you intrusted comparatively small sums of money to your clerk for disbursement you attended to the disbursement of the bulk of the money yourself. The department recognizes the necessity, under the circumstances, for trusting your clerk with some of the money to be disbursed, but in doing so it was your plain duty to count frequently the cash in his hands, and particularly before making your weekly report of cash on hand to the Bureau of Supplies and Accounts.

Inasmuch as you are the bonded officer you alone are responsible to the department, and it looks to the bond of a paymaster for security. Therefore you should do nothing that would make possible a defalcation by your clerk, nor neglect to do anything that would prevent such defalcation.

The department trusts that its leniency in this matter will be fully appreciated and not misunderstood by you, and that the reprimand herein contained will serve as a warning to you to be more careful in the performance of your duties hereafter.

You will acknowledge the receipt of this communication and its inclosure.

Very respectfully,

H. A. HERBERT, *Secretary.*

Paymaster JAMES E. CANN, U. S. Navy,
United States Revenue Steamer Franklin,
Navy-Yard, Norfolk, Va.

